

How to Complete the Statement of Receipts and Expenditures (ED-45) for the “Elect Mary Smith For State Representative” Committee

On July 26, 2006, Alfred T. Butler was appointed the campaign treasurer for the “Elect Mary Smith For State Representative” Committee.

RECEIPTS

Reporting Small Contributions

At the beginning of the campaign, four (4) individuals made monetary contributions. Leslie Jones contributed \$25 by check. As this contribution was not more than \$30, the threshold for itemized disclosure, there is no need to identify her name and address (and “lobbyist” status) on the statement. This contribution is entered in Section A, “Total Contributions from small contributors.” This will be added together with other contributions of \$30 or less from individuals.

Reporting Contributions over \$30

The second contribution was \$80 by check from John Brown, a registered lobbyist. The third contribution was \$40 in cash from Samuel Johnston. Each of these contributions must be itemized separately in Section B, “Contributions from Individuals over \$30.00 in the Aggregate.” The box for “Lobbyist” identification is checked off in the case of John Brown. For each contributor, the complete residence address of the contributor, and the form, date and amount of the contribution is entered. The use of the aggregate box will be discussed later. The next contribution was \$200 by check from Mary Smith’s husband, Jack. This is also entered in Section B. For contributions in excess of \$100 but not exceeding \$1,000 the treasurer must make a good faith effort to obtain the donor's principal occupation and employer's name. Such good faith effort, in the case of a written solicitation for funds, would include that the solicitation contain a request for the donor's principal occupation and employer's name; in the case of an unsolicited contribution of more than \$100, the treasurer should make a written request for the information from the contributor. Contributions from the candidate’s spouse or other family members must be disclosed and are subject to the \$250 aggregate contribution limitation per individual, to a candidate for State Representative.

Contributions from other Committees

Two (2) other committees each contributed \$100 by check to the candidate committee. The first was from the “New Haven Town Committee,” a party committee, and the other was “Better Connecticut PAC,” a political committee formed by two or more individuals. Both of these contributions are

entered separately in Section C, "Contributions and reimbursements from Other Committees." Neither of these committees is limited in the amount it can contribute to a candidate, but there would be a limit on what a business entity or labor organization political committee can contribute.

Anonymous Contributions

On August 20, the committee received anonymous contributions of \$15 in one dollar bills in a mailed envelope. This is reported in Section D, "Anonymous Contributions" with the denomination of the bills indicated. Any amount over \$15 must be forfeited to the state.

In Kind Donations for Fundraisers Not Considered Contributions

The barbecue was held by Mr. Romeo at his residence. He spent \$180 for food, beverages and invitations. In accordance with Section 9-333b(b)(5), General Statutes, expenditures for food, beverages and invitations in connection to an event are not considered contributions if they are \$200 or less in connection to any candidates campaign. The exemption applies for each candidate but only to an individual and only if the fundraiser is hosted at his or her own residence. This transaction is reported in Section K-4, "In-Kind Donations Not Considered Contributions."

A similar exemption applies to an individual who hosts an event for a party committee if the individual does not spend more than \$400 during the calendar year hosting such events for the town committee. There is no such exclusion for hosting events for a political committee.

Candidate's Donation Not Considered as Contribution

In addition to making a loan of money to her committee, (discussed later) Mary Smith gave \$600 to her committee outright. A gift or loan from the candidate to his/her candidate committee is not a contribution (and is therefore unlimited in amount). This amount is entered in Section G, "Personal Funds of the Candidate Received this Period."

Interest

On September 1, the committee account was credited with interest of \$5. which is entered in Section H, "Interest from Deposits in Authorized Accounts."

Loans

Two (2) loans were also obtained: \$800 from the Fleet Bank, guaranteed by Peter Penguin and Samuel Johnston, and another for \$400 from Mary Smith, the candidate. The principal amounts of the loans are recorded in Section I, "Loans Received This Period." For each loan, the creditor's name and complete address are entered, accompanied by the names and addresses of each

guarantor. A guarantee of a loan is not considered a contribution, unless and until the committee defaults and the guarantor repays some or all of it.

Receipts from Fundraising Event Tickets

On September 9, a picnic was held, and the ticket price was \$20. Twenty-two (22) tickets were sold. Twenty (20) were purchased by different individuals, for a total of \$400. These contributors made no other contributions to the committee making their individual total \$20 in the aggregate. Since these contributions were separately not more than \$30, the threshold for itemized disclosure, there is no need to identify the name and address (and "lobbyist" status) of these contributors on the statement. These contributions are entered in Section A, "Total Contributions from small contributors." The other two (2) tickets were sold to Dick Grayson. This \$40 contribution is entered in Section B, "Contributions from Individuals over \$30.00 in the Aggregate."

In-Kind Contribution

An in-kind contribution of stamps and envelopes was also provided to the committee by Cathy White. The value of the contribution is \$100, which is the amount she paid for these items. This contribution is entered in Section M, "In-Kind Contributions." Note that the contributor's address, description and value of the contribution is also entered.

Ticket Sales for Golf Outing

On September 15, the golf outing was held. Five tickets were sold for \$60 each. Four (4) tickets were sold to Max Shreck for a total of \$240. The remaining ticket was sold to Mr. Green. The entire ticket amount is a contribution. The two (2) contributors are separately entered in Section B, "Contributions from Individuals over \$30 in the Aggregate."

Ads in Program Book for Fundraising Event

The sale of advertisements in the program book for the golf outing produced a total of \$800. Section 9-333b(b)(10), General Statutes, excludes from the definition of contribution, the purchase of advertising space, which clearly identifies the purchaser, in a program for a fundraising affair provided that the cumulative purchase of ads from the committee does not exceed \$250 for a business entity or \$50 for an individual or non-business entity for the entire campaign.

Each full page ad cost \$100 and each half-page ad cost \$50. The four (4) full-page ads purchased by various business entities and the two (2) half-page ads purchased by different partnerships (considered a business entity as defined by Section 9-333a(7)) are therefore not contributions. The four (4) half-page ads purchased by individuals are also not considered contributions. Consequently, the total monetary receipts from advertising in the program book which are not contributions are \$700. Each of these ad purchases is

itemized in Section K(3). The sum of \$700 is entered in Section K(2) under “Ad booklet purchases.” The \$700 is in Section K that states, “Total Fundraising Receipts, not Considered Contributions, From All Events.” The purchase of the full-page ad for \$100 by Mr. Wayne is considered a contribution and entered in Section B “Contributions from Individuals over \$30.00 in the Aggregate.” Other details of the fundraiser are also identified in Section K(1).

In- Kind Donations for Fundraising Event from Business Entities Not Considered Contributions

Finally, the committee received \$100 worth of beverages, \$40 worth of golf balls, and \$94 dollars worth of hats from different business entities for the golf outing. In accordance with Section 9-333b(b)(12), General Statutes, a business entity may provide up to \$100 worth of goods and services to a committee for a fundraiser, and the donation is not a contribution. These transactions are reported in Section K-4, “In-Kind Donations Not Considered Contributions.”

EXPENSES

The committee made several expenditures for this period. On August 15, the committee purchased \$500 in political advertisements from The Register. Each expenditure paid during the reporting period (excluding loan repayments) is entered in Section N, “Expenditures.” Each expenditure must be itemized, including the name and address of the payee, the date, amount and code for the purpose of the expenditure. The committee also paid the New Haven Town Committee \$200 for its pro-rata share of the flyer which must also be reported in Section N. While there is a general prohibition on transfers of funds by a candidate committee to any other committee until after the election (see Section 9-333r, General Statutes) there are two exceptions: (1) a candidate committee may pay its pro-rata share of the cost of advertising that supports both its candidate and other candidate(s) or of the operation of a campaign headquarters shared with other candidates, and (2) a candidate committee may reimburse a party committee for any expenditure made on behalf of a candidate. In case of a reimbursement to a party committee, there is no need to list a secondary payee.

As authorized by the treasurer, Leslie Jones purchased \$110 worth of food at Foodways Market and soda from Beverages R Us for \$30 for the picnic. She provided the treasurer with a sales receipt, and was reimbursed on September 1. This reimbursement is also entered in Section N. The primary payee is the person to whom the committee check is issued, i.e. Leslie Jones. The secondary payees are those who are paid by the primary payee paid, i.e. Foodways and Beverages R Us. Foodways is listed on the report as a secondary payee as the amount paid by Leslie to them as \$110 and Beverages R Us is listed with the remaining \$30.

On September 1, Fleet Bank assessed \$6 in service charges on the account. This is also separately entered in Section N.

On September 3, the committee made a loan repayment of \$100 to Fleet Bank. This is entered in Section N, entitled "Expenditures." Note that the name and complete address of the creditor, date and amount of check must be entered. Also on September 3, the committee paid \$200 to the New Haven Town Committee for the pro rata value of the rental of campaign headquarters. This expenditure is itemized in Section N.

On September 5, the committee incurred an obligation of \$100 to EZ Printing for the printing of tickets and the program book for the golf outing. Then on September 25, the committee also incurred an obligation of \$100 to WELI, for radio advertisements. These items have not yet been paid, and are therefore entered in Section O, "Expenses Incurred During this Period but Not Paid." The itemization required for expenditures also applies to incurred expenses.

On September 19, the committee paid \$400 to the New Haven Country Club. This is entered in Section N.

Campaign Expenses Paid by Candidate

Three expenses were paid directly by the candidate: (1) \$70 for printing of brochures, (2) \$100 for lumber for signs, and (3) \$20 for paper goods for the picnic. Mary Smith sought reimbursement for all these expenses. In order for a candidate to qualify for reimbursement, several conditions must be satisfied in addition to the prior authorization of the treasurer. They are:

- (a) the item must be a permissible campaign related expense in accordance with Section 9-333i(g), General Statutes, and
- (b) the candidate must submit a detailed accounting of the expense to the treasurer, including cash register receipts or other proof of payment, and the accounting must be disclosed in Section P of the ED-45.

The candidate must account for each expense he or she paid from personal funds which exceeds \$50, regardless of whether the candidate seeks reimbursement except for his/her own telephone calls, travel and meals for which the candidate does not seek reimbursement.

In completing Section P, entitled "Campaign Expenses Paid by the Candidate," the actual vendor's name and complete address, purpose of the expenditure, date and the amount should be entered. An indication of an intent to seek reimbursement must be included. The treasurer enters the actual reimbursement of \$190 made to the candidate in Section N, "Expenditures." By contrast, note that the candidate's name, and address, purpose of expenditure, date and amount of the check are entered.

COMPLETING THE SUMMARY PAGE

Before preparing the Summary Page, each of the sections should be completed and added separately. It is extremely helpful to complete the "Monetary Receipts Worksheet" before proceeding to Column A of the Summary Page.

Complete Section 1 of the Summary Page, by providing the name of the committee, the treasurer's name and complete address exactly as it appears on the committee registration form (ED-49). In Section 2, the name of the candidate, office sought, and district number are provided. Additionally, the date of the primary and/or the election is entered there. In Section 3, enter the due date, and the period covered by the report. In Section 4 the box which corresponds to the date or type of report filed in part (a) is checked. If this report is to terminate the committee or to amend a previous filed report, the appropriate box in part (c) of Section 4 would have been checked. The treasurer is required to sign and date the report at the bottom of the Summary Page.

AGGREGATE

Aggregate means the total amount of the specific financial activity to date, and when used for a candidate committee, it means the total amount since the formation of the committee.

As the example begins with the start of the campaign activity, the aggregate for the initial report is equal to the amount entered for that activity. On the Summary Page, Column A is equal to Column B on this first report.

Summary of Transactions

Receipts

1. \$25 check from Leslie Jones.
(Section A)
2. \$80 check from John Brown.
(Section B)
3. \$40 cash from Samuel Johnston.
(Section B)
4. \$200 check from Jack Smith (Mary's husband).
(Section B)
5. \$100 check from the New Haven Town Committee.
(Section C)

6. \$100 check from Better Connecticut PAC.
(Section C)
7. \$800 loan from Fleet Bank.
(Section I)
8. \$400 loan from Mary Smith.
(Section I)
9. \$600 gift from Mary Smith.
(Section G)
10. \$180 In-Kind donation of food, beverage and invitations from Mr. Romeo.
(Section K-4)
11. \$15 cash from an anonymous contributor.
(Section D)
12. \$5 in interest from Fleet Bank.
(Section H)
13. In-Kind contribution from Cathy White valued at \$100 for postage and envelopes.
(Section M)
14. \$400 from twenty (20) fundraising tickets purchased separately for \$20
(Section A)
15. \$700 for four (4) full-page \$100 ads (purchased by business entities), and six (6) half-page \$50 ads.
(Section K)
16. \$40 for two (2) fundraising tickets purchased by Dick Grayson.
(Section B)
17. \$100 for the purchase of one full-page \$100 ad by Bruce Wayne.
(Section B)
18. \$100 In-Kind donation of beverage from "Drinks Are Us."
(Section K-4)
19. \$40 In-Kind donation of golf balls from Dick's Sport Shop.
(Section K-4)
20. \$94 In-Kind donation of hats from Shrecks Department Store.
(Section K-4)
21. \$240 for the purchase of four (4) tickets to the golf outing by Max Shreck.
(Section B)
22. \$60 for the purchase of one ticket to the golf outing by Mr. Green.
(Section B)

Expenditures

- 23. \$500 to The Register for political advertisements.
(Section N)
- 24. \$200 to New Haven Town Committee for the pro-rata share of the flyer.
(Section N)
- 25. \$6 to Fleet Bank for bank service charges.
(Section N)
- 26. \$140.00 to reimburse Leslie Jones for purchase of \$110 worth of food and \$30 for beverages. *Note: That Foodways Rentals and Beverages R Us are listed as secondary payees for this transaction.*
(Section N)
- 27. \$100 for loan payment to Fleet Bank
(Section N)
- 28. \$200 to New Haven Town Committee for the pro-rata share of headquarters rent.
(Section N)
- 29. \$400 for the golf outing to the New Haven Country Club.
(Section N)
- 30. Expense incurred but not yet paid of \$100 for the printing of the program book by EZ Printing.
(Section O)
- 31. Expense incurred but not yet paid of \$100 for radio advertisements purchased from WELI.
(Section O)

Campaign Expenses Paid by Candidate

- 32. \$190 to reimburse the candidate: \$70 for printing of brochure, \$100 for lumber for signs, and \$20 for paper goods.
(Section P and Section N, appears on extra Section N page)

**** (Note: Numbers refer to the numbers in circles on the sample statement.)***